



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 21, 2001

### **S. 1519**

#### **A bill to amend the Consolidated Farm and Rural Development Act to provide farm credit assistance for activated reservists**

*As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry  
on October 31, 2001*

S. 1519 would direct the Secretary of Agriculture to provide assistance to borrowers with farm loans made or guaranteed by the Farm Service Agency whose farming operations have been adversely affected by activation of the military reserves ordered on or after September 11, 2001. Under the bill, these borrowers would be eligible for low-interest emergency loans and loan-servicing benefits, including deferral of scheduled payments and other restructuring actions as the Secretary determines are fair and equitable.

CBO estimates that the number of individuals eligible for emergency loans under the bill would be small and the cost of the legislation would be less than \$1 million, subject to the availability of appropriated funds. Implementing S. 1519 also would allow for the modification of the terms and conditions on outstanding loans and could affect direct spending through a reduction in federal collections (an offset against direct spending). Since the legislation could affect direct spending, pay-as-you-go procedures would apply. Because the loan-servicing authorities under S. 1519 would be substantially the same as under current law, CBO estimates that the bill would have a negligible impact on direct spending.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Greg Hitz. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.